

**REMARKS**

Claims 1-20 are pending in the application. Claim 16 has been amended herein. Favorable reconsideration of the application, as amended, is respectfully requested.

**I. REJECTIONS OF CLAIMS 16 UNDER 35 U.S.C. § 112**

Claim 16 stands rejected under 35 U.S.C. § 112, second paragraph, as being indefinite. Claim 16 has been amended herein to address the Examiner's concern. Specifically, claim 16 further recites the definition of the "basic pattern." Withdrawal of the rejection is respectfully requested.

**II. REJECTIONS OF CLAIMS 1-20 UNDER 35 U.S.C. §§ 102 AND 103**

Claims 1-20 stand rejected under 35 U.S.C. §§ 102(e) and 103(a) based primarily on U.S. Patent No. 6,477,276 ("Inoue"). Applicants believe that all pending claims are allowable at least because a combination of the cited references is believed to fail to teach or suggest the claimed *comparison between two blocks*. Withdrawal of the rejections is respectfully requested.

One of the features recited in independent claims 1, 13, and 17-20 is directed to embedding a digital watermark in a master image. Independent claims 1, 13, and 17-20 require, *inter alia*, "comparing orthogonal transformed coefficients *between at least two blocks* having a predetermined relationship with each other and making the coefficients satisfy a preset order of magnitude according to bit information specified as the digital watermark, so as to embed the bit information."

Neither Inoue nor Vora discloses the above-identified feature of comparing coefficients between two blocks to embed digital watermark information as representing the magnitude of the coefficients. Both Inoue and Vora are related to embedding a digital watermark in discrete cosine transformed coefficients. However, it is respectfully submitted that Inoue and Vora use the coefficients in a completely different way from the claimed invention. As such, these cited references cannot be said to suggest the claimed invention.

Further, the claimed method utilizes a smaller number of DCT coefficients to embed a digital watermark, which means that the claimed method utilizes a smaller number of frequency components. Accordingly, the claimed method is capable of scaling back the influence of a digital watermark on the watermarked image. By contrast, the method described in the cited references uses multiple bands, and thus, inevitably handles a broad range of coefficients. Such a broad range of coefficients used in the cited references will greatly affect a resultant image.

In addition, the claimed invention is capable of changing DCT coefficients that are used for embedding a digital watermark, according to a target image. So, it is possible to choose coefficients that will have a small impact on the target image.

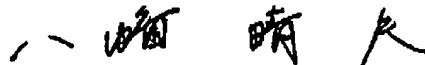
The remaining cited references, i.e., Bhaskaran, Johnson and Ohbuchi have been reviewed, and it is believed that they each fail to cure the deficiencies of the Inoue and Vora patents.

In summary, Applicant finds nothing in the cited references that suggests the above-identified claimed features, i.e., comparison between at least two blocks. Therefore it is respectfully submitted that the invention defined in independent claims 1, 13, and 17-20, and their dependent claims is patentable over the cited art. Withdrawal of the rejections is respectfully requested.

### III. CONCLUSION

Applicant believes that all pending claims are in condition for allowance, and respectfully requests a Notice of Allowance at an early date. If the Examiner believes a telephone conference would expedite prosecution of this application, please telephone the undersigned at 510-663-1100, ext. 245.

Respectfully submitted,  
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